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SUBJECT: OMAN PROJECTS INCREASE TO 850,000 TO 900,000 BARRELS OD OIL
PER DAY IN 2010

[1](#)1. (SBU) State-owned English daily "Oman Observer" reported on November 2 that Oil and Gas Minister Dr. Mohammed Al Rumhy predicts that Oman will produce between 850,000 and 900,000 barrels per day (bpd) in 2010. Minister Al Rumhy declared that "[t]he hydrocarbon sector is healthy and looks very promising." Oman is averaging around 805,000 bpd in 2009 and 756,000 in 2008. Minister Al Rumhy also announced that the Ministry would be launching a new licensing round for a number of hydrocarbon blocks.

[1](#)2. (SBU) COMMENT: Oman's increased production is largely the result of its use of Enhanced Oil Recovery methods (EORs). Although production has increased with the use of EORs, they are costly, have potential harmful effects on the environment, and, decreases the profit margin. That said, the increase, if sustained, is significant. END COMMENT.
Schmierer